GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:771
ANSWERED ON:04.03.2005
NATIONALIZATION OF RRBS
Verma Shri Rajesh

Will the Minister of FINANCE be pleased to state:

(a) whether any demands have been made by the regional rural bank employees to nationalize the rural banks functioning in the country;

(b) if so, the details thereof and the reasons for such demand;

(c) whether the Government has taken any steps in this matter

(d) if so, the details thereof and the time by which the regional rural banks would be nationalised; and

(e) if so, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (S.S.PALANIMANICKAM)

(a)&(b):Employees Associations/ Unions of Regional Rural banks have been suggesting the following for restructuring / reorganization of Regional Rural Banks (RRBs).

(i) Recapitalisation of RRBs.

(ii) Delinking of RRBs from Sponsor Banks.

(iii) Amalgamation of RRBs at State / Zonal level under National Rural Bank or NABARD.

(iv) Majority shareholding in RRBs by the Central Government.

(v) Implementation of the Government sponsored programmes, credit to SHGs and credit for farm sector and other rural infrastructure programmes through RRBs.

(c), (d) & (e) : - As a step towards the consolidation of RRBs, the Government has presently initiated the process of amalgamation of contiguous RRBs sponsored by the same bank within a State in consultation with the respective State Government and NABARD.